

Congress of the United States
Washington, DC 20515

July 20, 2010

The Honorable Barney Frank
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank:

As the Basel Committee on Banking Supervision continues discussions regarding new international capital standards, we ask that the House Financial Services Committee hold a hearing on the status of these discussions, the proposals under consideration and the United States' positions in these negotiations.

The Basel Committee is working toward a November target deadline for issuing new standards that will impact banking and finance around the world. Capital standards are a strong regulatory tool, and it is essential that our Committee understand the proposals that are being made and the actions our U.S. participants are taking in development of these new standards.

The Financial Services Committee spent considerable time working on the financial regulatory legislation that is now becoming law, and we would argue that even more time was needed. However, the Committee has spent very little time examining changes to bank capital standards, which we believe are one of the most powerful tools financial regulators have.

While development of international capital standards is a complex policy issue, we believe our oversight responsibilities require that the Financial Services Committee have a comprehensive hearing on the Basel negotiations so we can better understand the implications of proposed changes on our nation's financial system and economy and the role our regulators are taking in this process.

Thank you for your consideration of a hearing on this issue, and we look forward to working with you on the details of the hearing as soon as possible.

Sincerely,

